

**Improve accountability through a clearer separation of responsibility for policy and delivery functions (recommendations 1-9)**

**Recommendation 1. Defra should review its rural policy remit in order to ensure that it is consistently understood by all concerned, including those who deliver its policies.**

Rural Strategy 2004 – the Government's response

The Government agrees.

1.1 The [Rural Strategy 2004](#) sets out the Government's rural policy, informed by the wide-ranging review of the [Rural White Paper](#) published in January 2004. Defra will develop strong new partnership arrangements with delivery organisations to ensure it is understood and implemented effectively (see Recs. 2-8).

November 2006 Update

1.1 Done. The Rural Strategy 2004 has since been amplified by Defra's 5 year strategy and the Government's Rural Manifesto. See the responses to Recs. 2–8 for ways in which partnerships with delivery organisations have been improved.

David Miliband became Secretary of State in May 2006. In both his July 2006 [letter to the Prime Minister](#), outlining his priorities for Defra, and in his [speech at the Royal Show](#) in July 2006 he continues to emphasise the need to make best use of land for economic, social and environmental benefit and the long-term sustainability of rural communities.

**Recommendation 2. Defra's prime responsibility should be the development of policy, and it should arrange for the delivery of its policies through national, regional and local agencies. Policy and delivery functions should be managed separately so that accountability for policy and delivery is clearly defined.**

Rural Strategy 2004 – the Government's response

The Government agrees. By April 2005, Defra will:

2.1 assume responsibility for all rural and forestry policy development (see Recs. 9 and 18);

2.2 move the [Rural Development Service \(RDS\)](#) out of the policy core of Defra, providing it with greater autonomy and devolved authority for decision-making and delivery, as befits a distinct delivery organisation; and

2.3 devolve regional decision-making on, and funding for, the delivery of rural economic and social regeneration to Regional Development Agencies (RDAs), working in close partnership with local authorities and others (see Recs. 9, 10 and 24).

By January 2007, subject to legislation, Defra will:

2.4 formally establish an Integrated Agency as an independent statutory Non Departmental Public Body (NDPB), with devolved responsibility for decision-making and delivery (see Rec. 16).

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2.1 Done. See updates on Recs. 9 and 18.

2.2 Done. The Rural Development Service moved out of the policy core of Defra in April 2005. Prior to becoming part of Natural England in October 2006, it had a Board and Chair (Poul Christensen, then Judith Webb) and its relationship with Defra was set out in a framework agreement.

2.3 Done. £21M of funding and 19 staff transferred from the Countryside Agency to the Regional Development Agencies on 1 April 2005. See the updates on Recs. 9, 10 and 12.

2.4 Done. Natural England was formally established on 1 October 2006.

<p>By March 2008, Defra will:</p> <p>2.5 refocus and streamline the Defra HQ policy function through implementing its Delivery Strategy. This will ensure that policy-makers focus on high-level policy objectives and strategic performance management, but deliver through others. It will reduce the overall number of staff through efficiency savings and through the devolution of operational and delivery functions out of core Defra to delivery bodies.</p>	<p>2.5 On track. Placing delivery functions with existing or new delivery bodies has continued with the creation of the State Veterinary Service, Marine Fisheries Agency and Government Decontamination Service as executive agencies, and the creation, in October 2006, of Natural England as an executive Non Departmental Public Body. The shape, size and functions of the policy-making teams are adjusting in response. The Modernising Rural Delivery programme remains on track to deliver £21M annual efficiencies by 2009/10.</p>
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**Recommendation 3. The separation of policy and delivery functions should oblige Defra to consult delivery organisations at the earliest stages in policy formulation and to ask the latter to put forward proposals for the effective delivery of policy. In this way delivery organisations will be more accountable for effective management of programmes, and there should be less duplication of existing regional and local schemes. Defra will continue to appoint members of the various boards and to hold them accountable for their performance.**

<p>Rural Strategy 2004 – the Government's response</p> <p>The Government <b>agrees</b>. Defra Ministers will continue to make appointments to Boards and, by April 05, Defra will:</p> <p>3.1 agree and publish new or updated concordats or working agreements with all rural delivery organisations that include the requirement for policy makers to involve deliverers in the development of policies and give deliverers the freedom to design detailed delivery arrangements themselves; and</p> <p>3.2 ensure that governance arrangements provide a robust accountability framework.</p>	<p>November 2006 Update</p> <p>3.1 Done and on-going. Partnership working principles have been developed under Defra's Delivery Strategy programme. The delivery organisations and agents are responsible for taking this forward in future policy development and delivery.</p> <p>3.2 Done and on-going. Defra's Delivery Strategy brought together much of Defra's work on clarifying the relationship between policy and delivery. New and robust accountability frameworks are in place for RDAs and Natural England.</p>
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**Recommendation 4. Defra policy officials should develop a good understanding of delivery issues through a programme of training and secondments to delivery organisations. An understanding of delivery issues must be given higher priority in the assessment of individual performance. Secondments and recruitment from delivery organisations should also be encouraged in order to improve mutual understanding.**

<p>Rural Strategy 2004 – the Government's response</p> <p>The Government <b>agrees</b>. From April 2005, Defra will:</p> <p>4.1 introduce formal delivery awareness training for policy officials;</p>	<p>November 2006 Update</p> <p>4.1 Done and ongoing. Defra provides a range of learning solutions that support better policy making and are open to all policy officials. For example , the 'Better Policy Making Toolkit', Introduction to Policy making, 'Introduction to the EU', Guidance on Better Regulation, Regulatory Impact Assessment workshops, and our 'Policy Benchmarking Workshops' where Policy Teams (and potentially their delivery partners) work in partnership to create and develop effective policies in a facilitated learning environment. Between March 05 and March</p>
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<p>4.2 review the Defra appraisal process for policy makers to ensure that delivery awareness and related skills feature more prominently; and</p> <p>4.3 increase secondments of policy officials to delivery bodies and vice versa.</p>	<p>06 450 staff took part in the Benchmarking Workshop and 80 staff on the Intro to EU workshop. In addition, a brand new learning product called 'Effective working with Delivery Partners' has been developed and piloted and will be rolled out in the New Year with the aim of improving delivery awareness and relationship management skills. Finally another new addition is Enforcement Training which deals primarily with imposing penalties.</p> <p>4.2 On track. Delivery strategy and policy skills have been taken into account in developing a new competence framework (which is an element of the appraisal process) for Defra as part of the wider Professional Skills in Government (PSG) agenda. The new framework is due to be launched in April 2007. As part of a recent Grade 7 Promotion Board, Defra also tested applicants' abilities in relation to these skills.</p> <p>4.3 Done and on-going. The revised <a href="#">Interchange Strategy</a>, agreed that priority would be given to increasing substantially the number of Senior Civil Service short placements spent at "the sharp end". The numbers of 'interchange' have increased. Defra continues to work with Government Offices, Agencies, Non Departmental Public Bodies and other delivery agents to encourage reciprocal interchange arrangements and embed interchange into the ways of working.</p>
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**Recommendation 5. Deliverers should agree targets with Defra, working with the Treasury, rather than having unrealistic ones imposed on them from Whitehall. This would include Defra's rural Public Service Agreement. In this way delivery organisations will accept greater ownership of these targets, which will be more achievable and less vulnerable to manipulation. There should be greater emphasis on setting rural targets that are linked to real outcomes rather than outputs (such as the number of grants processed).**

<p>Rural Strategy 2004 – the Government's response</p> <p>The Government <b>agrees</b> with the principle that those responsible for delivery should be involved in helping to set outcome-focused targets. Defra will:</p> <p>5.1 continue to work with delivery organisations to agree outcome-focused targets for the SR2004 period (2005/6-2007/8);</p> <p>5.2 commit to working with delivery organisations in developing targets as part of future spending round negotiations; and</p> <p>5.3 continue to monitor, review and challenge delivery organisations' corporate plans to ensure they are sufficiently focused on the outcomes they have been asked to deliver.</p>	<p>October 2006 Update</p> <p>5.1 Done. For example, the Regional Development Agencies' (RDAs) tasking framework commits the RDAs to contributing to three of Defra's Public Service Agreement (PSA) targets including PSA4 on rural productivity and access to services. See update on Rec. 7, para 3.</p> <p>5.2 Done and ongoing. As part of the Comprehensive Spending Review 2007 process, we are working closely with delivery organisations to review our PSAs.</p> <p>5.3 Done and ongoing. The corporate plans of Natural England and the Regional Development Agencies have been and continue to be subject to considerable challenge.</p>
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**Recommendation 6. Delivery organisations should have the maximum flexibility to allocate resources in the most effective ways, whilst keeping the necessary discipline over administrative costs.**

<p>Rural Strategy 2004 – the Government's response</p>	<p>November 2006 Update</p>
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The Government **agrees**. During 2005, Defra will:

6.1 introduce governance frameworks that provide greater flexibility for Defra's delivery organisations, underpinned by robust and transparent performance management; and

6.2 work with its NDPBs to agree plans for the provision of back office functions on a corporate basis where this will maximise efficient use of administrative budgets and free up resources for the front line.

By January 2007, Defra will:

6.3 negotiate for greater flexibility to be applied to the use of funds transferred from CAP subsidy payments (Pillar 1) to rural development and agri-environmental programmes (Pillar 2), building on the flexibility on use of receipts of the EU modulation system achieved in the 2003 negotiations.

6.1 Partly delayed. Governance and performance management for all Defra executive agencies are being reviewed and strengthened and new arrangements for key customer facing bodies are expected to be in place in early 2007. This is part of the implementation of the [Delivery Strategy](#) and the Policy Centre Review Programme. Section 79 of the NERC Act, commenced on 31 May 2006, includes powers that can be used to devolve functions to and between delivery bodies, by mutual agreement, which should allow them to be more flexible.

6.2 Done. Defra is working with its Agencies and NDPBs to create a shared services organisation to provide Defra and its delivery bodies with back office corporate services. This organization is being developed and will be launched in April 2007. Meanwhile Natural England began taking its corporate services from Defra on 2 October 2006. This is consistent with the [Gershon](#) reform agenda.

6.3 Done. The December 2005 budget deal agreed by the European Council stated that Member States would have flexibility to use voluntary modulation in the next rural development programming period (2007-2013), up to a maximum of 20% of CAP Pillar 1 payments. The December agreement also confirmed that these new voluntary modulation receipts could be used on all rural development measures. Discussions regarding the rate of voluntary modulation and national match-funding that will apply in England during 2007-2013 are ongoing within Government and with the European Commission.

**Recommendation 7. Defra should agree shared targets with other Government Departments (OGDs) and their delivery organisations in order to secure better delivery of its rural policy objectives. This will substantially strengthen Defra's ability to influence outcomes.**

Rural Strategy 2004 – the Government's response

The Government **agrees** that rural proofing of other Government Departments' Public Service Agreement (PSA) targets is vital. From 2004, Defra will:

7.1 work with other Government Departments to ensure that from April 2005 a rural marker is added to monitoring data to help assess rural impact, where this can be done without disproportionate cost or burden of data collection;

7.2 work with other Government Departments to introduce regular reporting on progress towards PSA targets with a rural dimension;

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7.1 Done and on-going. Defra's evidence base has been improved by the addition of a rural marker to Department of Health and Department for Transport datasets. We continue to promote the use of the rural definition by other government departments.

7.2 Done. Baselined datasets have been established for four out of the original 9 indicators. It is not possible to complete the remaining five as the raw data is not available in a usable form. We will continue to provide the annual update required by the Treasury.

7.3 under the RDA tasking framework, reach agreement with RDAs on outcomes to be included in RDA corporate plans; and

7.4 work with local authorities, through Government Offices, to help them develop second generation local Public Service Agreements (LPSAs) that benefit local communities and support sustainable development.

7.3 Done. The RDA corporate plans, published in April 2005 reflected the RDA 'tasking framework' commitment to their contribution to Defra's PSA 4 target (improving rural productivity and access to services). RDAs are now disaggregating their 'core outputs' on a rural/urban basis and by disadvantaged areas (where data is available).

7.4 Done. The LPSA process has now been superseded by the performance reward element of [Local Area Agreements](#) (LAAs). We have developed a package of support for the Government Offices and continue to work closely with the Government Offices, DCLG and the rural pathfinder projects (see Rec. 14) to ensure that rural and sustainable development interests are well reflected in LAAs.

**Recommendation 8. Defra should improve the quality of its management information in order to take better informed decisions and to control the administrative costs associated with the schemes and services that it funds.**

*Rural Strategy 2004* – the Government's response

The Government **agrees**. From 2005, Defra will:

8.1 develop common repositories for land, livestock, customer, environment and rural information, to enhance the quality and accessibility of information in Defra and its delivery bodies, improve customer interaction with Defra, and allow greater control and manipulation of data;

8.2 introduce 'Genesis', an IT-based system that will integrate information on the England Rural Development Programme (ERDP) thereby improving Defra's strategic management capability and facilitating efficiency improvements.

November 2006 Update. Also see updates on Recs. 31 & 32.

8.1 Partly delayed. Defra is in the process of developing shared data services for customer, land, livestock and other key information that is needed across the family. These services will help in providing a better customer experience and provide efficiency savings within the Department. Good progress has been made on the design of these services, although Departmental financial pressures have caused us to reconsider the approach and pace of implementation. We are now revising our plans for implementation. We have introduced new processes and systems to administer current and future environmental stewardship schemes and are consolidating payments through the Rural Payments Agency. These new arrangements provide us with an improved basis on which to control the relevant schemes. We have introduced a Rural Evidence Hub to provide access to important data and information sources and will expand these capabilities with more innovative use of geographical presentation and analysis. We are also improving access to rural business advice and information through various upgrades to the Defra website. A first release, launched in July 2006, provides farmers and land managers with clearer information to help them run their businesses.

8.2 Partly delayed. The first elements of the Genesis IT system were introduced in March 2005, in time to support the launch and implementation of Environmental Stewardship. Since then, the main elements of Environmental Stewardship business process functionality have been released in Genesis and the system is operating effectively, albeit with a number of defects that require manual workarounds. There remains a significant and challenging programme of activity, which is expected to run until early in 2007, to address the outstanding system defects and introduce final releases of functionality. Considerable improvements in delivery efficiency have however already been realised, with agri-environment administration costs reduced from approximately 30% of the value of grants to landowners in 2000, to around 13% in 2005.

**Recommendation 9. In pursuit of the objectives of separating policy from delivery and of devolving delivery, the functions of the Countryside Agency should be transferred to the appropriate specialist organisations. Thus:**

- **policy development (including the commissioning of pilots and demonstration projects), together with the promotion of rural proofing, would pass to Defra and the Government Offices;**
- **social and economic programmes would pass to regional and local networks of Regional Development Agencies (RDAs), local authorities and the voluntary and community sector;**
- **environmental, landscape, access and Recreational programmes would pass to the new, integrated agency proposed below (see Rec. 16);**
- **review of rural proofing, challenge and external advice would pass to a reformed Rural Affairs Forum for England (see below).**

**In the light of these changes the Countryside Agency would cease to be required as a separate organisation.**

Rural Strategy 2004 – the Government's response

The Government **agrees** that policy-making should be the responsibility of core Defra, and that delivery-related functions of the Countryside Agency should be transferred to delivery bodies.

However, the Government believes that the role for a strong and independent Rural Advocate is as important now as ever, to advise on the issues affecting rural communities. The Government has therefore decided to reshape the Countryside Agency into a small, expert body to provide strong and impartial advice to Government, and act as watchdog and advocate for rural people and communities, especially those suffering disadvantage. This will be a new and distinctive role, building on the successes of the Countryside Agency and of the Rural Advocate. The New Countryside Agency will have a strong, focused and impartial voice, unfettered by delivery responsibilities of its own but with a responsibility to monitor and report on the delivery of others.

This decision obviates the need to reform the Rural Affairs Forum for England as suggested in this Recommendation; this would be to duplicate the role of the New Countryside Agency.

To enable the refocused New Countryside Agency to concentrate on its fresh and distinctive role, by April 2005, Defra will:

9.1 assume full responsibility for rural policy development;

9.2 assume lead responsibility for encouraging policy-makers and delivery bodies to rural-proof policies, activities and funding programmes effectively;

9.3 devolve resources associated with the Countryside Agency's socio-economic activities to RDAs so that socio-economic

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9.1 Done. Defra is the lead for rural policy within Government, informed by the expert advice it receives from, among others, the [Commission for Rural Communities](#).

9.2 Done. Defra, advised by the Commission for Rural Communities, works closely with other Government departments and their agencies, regional organisations (e.g. Regional Development Agencies (RDAs)) and local authorities, among others, in order to further encourage best practice in rural proofing policy development and delivery.

9.3 Done. The £21m resources associated with the Countryside Agency's socio-economic activities were devolved to RDAs from April 2005 and now form part of the RDA single



small expert advisory body.

**Bring delivery closer to the customer by devolving greater power to regional and local organisations to deliver economic and social policy ( Recommendations 10-15)**

**Recommendation 10. Regional Development Agencies (RDAs) should play a key role in the devolution of Defra's rural economic and social agenda. They must therefore demonstrate, and where necessary develop, their capacity to contribute to sustainable development in addressing rural needs.**

Rural Strategy 2004 – the Government's response

The Government **agrees**. By April 2005, Defra will:

10.1 devolve regional decision-making on the delivery of rural economic and social regeneration to RDAs, working in close partnership with local authorities and others.

10.2 continue to engage proactively with Regional Development Agencies (RDAs) with the aim of ensuring that rural regeneration, sustainable farming and food, and sustainable development goals are translated from the new tasking arrangements into RDA corporate plans;

10.3 as part of new tasking arrangements for RDAs, hold the RDAs accountable for delivery of its PSA targets on rural productivity and services and on sustainable development.

10.4 increase its contribution to the RDA Single Pot from £45.5m in 2004-5 to £72m, including the socio-economic funding currently disbursed by the Countryside Agency.

November 2006 Update. Also see Rec. 2, Para 3.

10.1 Done. Defra has devolved to RDAs responsibility, and the associated funding, for rural economic and social regeneration activities previously undertaken by the Countryside Agency. Nineteen staff have transferred from the Countryside Agency to RDAs to increase their capacity to contribute to sustainable rural development. Also see Rec. 2&12.

10.2 Done. RDA Corporate Plans identify at headline level how RDAs will contribute to sustainable development, rural productivity and access to services, and sustainable farming and food.

10.3 Done. Defra has fully engaged in the cross-Whitehall review of RDA Performance Monitoring and Reporting, to ensure a robust system is agreed that meets Defra requirements for six-monthly and annual reporting. Defra is monitoring RDA activity through the six-monthly and annual reports, and will also use the two other strands of performance management (impact evaluation, and independent performance assessments) to track progress in delivery during the course of 06/07. Regular discussions with RDAs are used to explore and resolve any concerns.

10.4 Done. The Defra contribution to the single pot for 2005/06 is £77m. This includes £5m from the [Business Resource, Efficiency and Waste \(BREW\)](#) Programme as well as the £21m socio-economic funding formerly disbursed by the Countryside Agency.

**Recommendation 11. A concordat with Defra must be established as a first step towards making the Regional Development Agencies (RDAs) accountable for their part in achieving Defra's policy objectives on rural sustainable development.**

Rural Strategy 2004 – the Government's response

11.1 The Government **agrees** that a closer relationship is needed between Defra and RDAs, but believes that this can best be achieved within the Government-wide tasking framework and RDA corporate planning processes, rather than through a separate and potentially overlapping process (see Rec. 10).

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11.1 Done. The new RDA tasking framework makes the RDAs accountable for their contribution to meeting a number of Government Public Service Agreement (PSA) targets, including Defra's PSA1 (Sustainable Development), PSA4 (rural productivity and access to services) and PSA5 (sustainable farming and food strategy). RDAs are required to report on their interventions in rural areas. At the same time, Defra has also approved RDA corporate plans and, in discussion with RDAs, has worked to make sure these are

consistent with Rural Strategy 2004 policy objectives.

**Recommendation 12. The successors to the existing business and farm diversification schemes (the so-called 'Project-Based Schemes') that are administered by Defra's Rural Development Service under the England Rural Development Programme should become the responsibility of Regional Development Agencies, which will arrange for their delivery.**

Rural Strategy 2004 – the Government's response

The Government **agrees** that there is a strong logic behind integrating rural business support and farm diversification with RDAs' wider economic development responsibilities. There is no clear benefit in transferring administration of England Rural Development Programme (ERDP) project-based schemes away from the Rural Development Service before the end of the current ERDP in 2006, but Defra will invite RDAs to play a greater role in strategic management in the interim, in particular in the regional prioritisation, targeting and project appraisal for these funds. During 2004-06, Defra will:

12.1 work with RDAs, the Rural Development Service and the Rural Payments Agency to seek to maximise RDA involvement in management and delivery of the existing project-based schemes for the remainder of the existing ERDP (to end-2006);

12.2 work closely with RDAs when negotiating the successor to the EU Rural Development Regulation and in drawing up the successor to the ERDP;

12.3 plan to devolve to the RDAs control of the regional use of EU-funded social and economic schemes under the EU Rural Development Regulation from 2007 when the new Regulation comes into force (subject to the outcome of negotiations in the European Commission); and

12.4 work with the RDAs, the Rural Payments Agency, and the European Commission on a progressive move towards more flexible arrangements for delivery of the funding.

November 2006 Update (see also Rec. 2, para 3).

12.1 Done. RDAs have increased their involvement in the existing project-based schemes by participating in the regional decision making panels and by playing a leading role in any revision of the priority setting regional targeting statements. From 1 October 2006 RDAs took over responsibility from the Rural Development Service for the legacy commitments undertaken under the project-based schemes.

12.2 On track. RDAs were represented on the key consultative group during the negotiation of the new EU regulation and contributed to development of the UK's position during the [public consultation exercise](#). They are playing a key role in working with Defra to shape proposals for the successor programme. The RDAs are working closely with Natural England and the Forestry Commission to write Regional Implementation Plans for the next Programme. A wide range of stakeholders are involved in the development of the plans, and the Government Offices are helping to facilitate the process.

12.3 Done. Through the Socio Economic Funding Transfer project Defra has transferred the delivery functions for EU co-financed socio-economic funding to RDAs as of 1 October 2006.

12.4 On track. Defra, the RDAs and the Rural Payments Agency have a shared objective of seeking increased flexibility in the rules governing the delivery of the funding. This principle is guiding discussions in the European Commission and preparation of the new programming documents.

**Recommendation 13. Regional Development Agencies should have the lead responsibility in co-ordinating public sector rural business support and advice. To that end they should take direct responsibility for Business Links. They should also take steps to improve the quality and consistency of business support and advisory services.**

Rural Strategy 2004 – the Government's response

13.1 The Government **agrees**. The RDAs will assume responsibility for managing the Business Link network on 1 April 2005. Defra will work with DTI, the RDAs and others to ensure that the national network of advice and support provided through Business Links and other business support providers meets the needs of rural businesses. The aim is to make available to rural businessmen and women a quality 'first port of call' service that is tailored to their circumstances. In addition, Defra will:

13.2 this year, put an extra £2 million into Business Links to improve support for economically lagging rural areas;

13.3 in 2005, participate with the Small Business Service and the RDAs in a rural pilot to join up a wide range of services; and

13.4 challenge business support providers to satisfy their rural customers that they are effective in meeting the specific needs of rural businesses.

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13.1 Done. The RDAs took over responsibility from the Small Business Service (SBS) for the management of the [Business Link](#) network on 1 April 2005. RDAs have moved the Business Link service from direct delivery of business support services to become the access brand for all publicly-funded support for small businesses, providing an information, diagnostic and brokerage (IDB) service. Defra contributed to this process to ensure that rural businesses have adequate access to Business Link services. The IDB model enables rural businesses to receive generic business support as well as being signposted to other providers for specialist advice. Defra is also participating in the SBS-led Business Support Simplification Programme looking to reduce the number of cross-Government business support programmes from an estimated 3000 to around 100. Defra's role will be to ensure that the needs of businesses in rural areas are not overlooked.

13.2 Done. The 21 projects supported by the additional funding provided in 2004/05 provided help to around 3000 businesses in economically under-performing rural districts. This ranged from simple information and signposting to intensive assistance with business development. The projects have been evaluated and the results were published in September 2005, which Defra disseminated to the RDAs and Business Links.

13.3 Done. Defra worked closely with the DTI Small Business Service and the East Midlands Development Agency on a pathfinder project in the Welland (a rural sub-region of the East Midlands), which looked at ways of encouraging the uptake of business support (including skills development) and of making the services provided to business by local, regional and national Government more coherent. The pathfinder ran through 2005/06 and the results will be shared with other RDAs to further inform good practice in relation to providing support to businesses in rural areas.

13.4 Done and on-going. Defra has undertaken a number of activities to identify good practice in relation to the provision of business advice to rural businesses, including through participation in the Business Link implementation group. Defra continues to work with RDAs, including through the Business Support Simplification Programme (see above), to ensure that business support provided to rural businesses, including farmers, is accessible and appropriately tailored to their needs.

**Recommendation 14. Local authorities and local partnerships should assume the main responsibility for delivery of schemes and services to rural communities. They should be fully consulted by Defra and the Regional Development Agencies about any changes to policy and delivery arrangements and should be given the necessary flexibility to address local needs. The potential of Rural Community Councils as partners in community based delivery is underestimated and should be enhanced.**

Rural Strategy 2004 – the Government's response

November 2006 Update

<p>The Government <b>agrees</b>. By April 2005:</p> <p>14.1 the role of local authorities in the regional decision-making process will have been strengthened through the arrangements at regional level (see updates on Recs. 10, 21 and 22);</p> <p>14.2 Government Offices will have facilitated work with sub-regional and local partners on a number of pathfinders. These will determine and test innovative mechanisms at sub-regional level to better target resources to deal with social and economic issues in rural areas, linking into associated countryside access and environmental issues. Local authorities will take a lead role in these pathfinder projects as a key deliverer of schemes and services to rural communities. The outcomes should feed into local Public Service Agreements and, perhaps, into Local Area Agreements; and</p> <p>14.3 Defra funding will be channelled via Government Offices to the rural voluntary and community sector, including Rural Community Councils, to strengthen local capacity.</p>	<p>14.1 Done. Local authorities are fully involved in the regional prioritisation process led by Government Offices – Regional Rural Delivery Frameworks – and are working with all partners, including RDAs and Rural Community Councils, to target resources and lead delivery at a local level.</p> <p>14.2 Done and on-going. In March 2005 eight local authority led rural delivery <a href="#">pathfinders</a> – one in each of the Government Office regions (outside London) - were established. These are determining and testing innovative mechanisms at local level to better target resources and improve the effectiveness, efficiency and customer focus of delivery in rural areas. The pathfinders will operate over two years (finishing in March 2007) and are subject to robust evaluation by the Audit Commission. All of the pathfinder areas have been incorporated into Local Area Agreements (LAAs) and partners are using the pathfinders effectively to rural proof their much broader LAAs. The overall aim is that lessons about rural delivery from the pathfinders will be ‘mainstreamed’ through a number of routes, including LAAs and Regional Rural Delivery Frameworks.</p> <p>14.3 Done. See update on Rec. 9.4.</p>
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**Recommendation 15. As part of the next round of local public service agreements Defra, working with other Government departments and the Local Government Association should agree joint Whitehall targets for the delivery of rural policies by local authorities.**

<p>Rural Strategy 2004 – the Government’s response</p> <p>The Government <b>agrees</b>. Defra will continue, as now, to:</p> <p>15.1 work with local authorities, through Government Offices, to help them develop second generation local Public Service Agreements (LPSAs) that benefit local communities and support the delivery of sustainable development.</p>	<p>November 2006 Update</p> <p>15.1 Done. See 7.4.</p>
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**Develop a more integrated approach to sustainable land management by rationalising agencies with overlapping agendas (Recommendations 16-20)**

**Recommendation 16. The Government should establish an integrated agency to promote sustainable use of land and the natural environment. This is necessary in order to prepare for the expanding land management agenda and to improve co-ordination and service delivery to customers. This would be achieved through a merger of English Nature, Defra’s Rural Development Service and some functions of the Countryside Agency. Its remit should embrace biodiversity, historical landscape, natural landscape, natural resources, access and recreation.**

<p>Rural Strategy 2004 – the Government’s response</p>	<p>November 2006 Update</p>
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The Government **agrees** and will immediately set work in train towards establishing an Integrated Agency bringing together English Nature, much of the work of the Rural Development Service and the landscape, access and Recreation responsibilities of the Countryside Agency. In particular:

16.1 a strategic group drawn from the Chairs of the above bodies, the Environment Agency and the Forestry Commission, has been set up to champion change;

16.2 the constituent parts of the Integrated Agency will come together by April 2005 into a confederation of partners with a common overarching vision and purpose, its name to be determined; during the Integrated Agency's formative stage, prior to primary legislation, the constituent organisations will work in close partnership, including through co-location, to begin to deliver the benefits of an integrated approach.

16.3 Defra will publish a draft bill as an early step and will seek a legislative slot early in the next Parliament to establish the Integrated Agency formally;

16.4 subject to legislation, the Integrated Agency will be established in statute by 2007 as a non departmental public body (NDPB); and

16.5 the Integrated Agency should be powerful, authoritative and independent, with a strong voice at national, regional and local level to help ensure that decisions and action are taken within a sustainable development context. It will provide expert advice to inform policy-making at national, EU and international level; deliver results through advice, incentives, regulation and enforcement; and undertake or commission research and monitoring to improve the evidence base for policy.

16.1 Done. The 'Chairs' group has helped to steer the change process over the last 2-3 years. [Sir Martin Doughty](#) was appointed as Chair designate of Natural England in November 2005. The Deputy Chair, [Poul Christensen](#), was appointed in March 2006, and the rest of the Natural England Board was appointed in April 2006.

16.2 Done. The name of 'Natural England' for the new body was [announced](#) in March 2005, after extensive consultation with staff. From April 2005 until the full transfer of statutory responsibilities was completed, the organisations that made up [Natural England](#) formed a confederation of partners. This meant that they increasingly operated as a single organisation, working together under a common overarching vision and purpose to deliver joint outcomes in partnership. Examples of early benefits gained from the confederated working included administration of [the Aggregates Levy Sustainability Fund](#) as a single fund, joint delivery of Higher Level Environmental Stewardship agreements on Sites of Special Scientific Interest (SSSI) land, joint participation in the Regional Rural Delivery Frameworks, some staff colocation and numerous pilots which developed better ways of working.

16.3 Done. [The Natural Environment and Rural Communities \(NERC\)](#) Act received Royal Assent on 30 March 2006.

16.4 Done. Natural England was formally established on 1 October 2006.

16.5 Done and on-going. Natural England published its corporate plan '[Strategic Directions 2006-09](#)' in July 06. More detail can be found on its [website](#).

**Recommendation 17. Defra should establish close collaboration between the Environment Agency and the new, integrated agency so that their activities complement each other.**

Rural Strategy 2004 – the Government's response

The Government **agrees** and intends to apply the principle equally to English Heritage. Defra will:

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<p>17.1 work with the Environment Agency and English Heritage to agree concordats and other tools to underpin collaborative working between them and the Integrated Agency, and to promote synergies between them.</p>	<p>17.1 Done and on-going. A Memorandum of Understanding setting out how the Natural England confederation of partners, the Forestry Commission and the Environment Agency would work together to conserve and enhance the natural environment during the period prior to the legal establishment of Natural England was agreed in September 2005 and will be revised over the next few months now that Natural England has been vested with its full powers. English Heritage is closely engaged with Natural England on landscape quality, environmental assessment and the agri-environment programme. There is no pressing need for an equivalent Memorandum.</p>
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**Recommendation 18. Consistent with the principle of clear separation of policy from delivery functions, the policy development role of the Forestry Commission in England should be transferred to Defra.**

<p>Rural Strategy 2004 – the Government's response</p> <p>The Government <b>agrees</b>. By September 2004, the Government will:</p> <p>18.1 transfer relevant policy functions and resource from the Forestry Commission in England to Defra; and establish a small forestry policy team within Defra to allow the department to take a strategic and integrated approach to the development of land use policy</p>	<p>November 2006 Update</p> <p>18.1 Done. A small forestry policy team was created within Defra in the Autumn of 2004 and policy functions were transferred to this team from the Forestry Commission.</p>
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**Recommendation 19. Following the creation of the new integrated agency, it is logical to integrate or closely align the delivery functions (regulation, incentives, advice) of the Forestry Commission in England with those of the new agency.**

<p>Rural Strategy 2004 – the Government's response</p> <p>The Government <b>agrees</b>. Defra will:</p> <p>19.1 work with the Forestry Commission in England and the Integrated Agency to identify opportunities for greater collaborative working; and assess the success of partnership working between the Forestry Commission in England and the Integrated Agency in the light of the initial phase of moving towards the Integrated Agency.</p>	<p>November 2006 Update</p> <p>19.1 Done. See Rec. 17. The Forestry Commission and Natural England are working together to align their functions in order to ensure that the two organisations will work in close partnership to deliver a comprehensive and co-ordinated approach to land management and more effective and simpler relationships with land managers.</p>
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**Recommendation 20. Defra should seek opportunities to rationalise the various levy-funded organisations that it sponsors in respect of certain agricultural sectors for marketing, developmental and other purposes. There is scope to share resources (administrative, economic and research) between the various boards and to strengthen support for industry programmes if savings are realised through rationalisation.**

<p>Rural Strategy 2004 – the Government's response</p>	<p>November 2006 Update</p>
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The Government **agrees**. During 2004/5, Defra will:

20.1 continue to work with the Agricultural and Horticultural Levy Boards Forum on how to rationalise and improve co-operation on cross-cutting and strategic issues in the short to medium term; and

20.2 commission, with the Devolved Administrations, an independent, fundamental review of the levy-funded organisations, to report in 2005. Defra will conduct a wide consultation on proposals arising from the review to ensure that all stakeholders have the opportunity to contribute.

20.1 Done. The new levy board structure will be set-up under provisions in the Natural Environment and Rural Communities (NERC) Act 2006.

20.2 Done. The [review](#), headed by Rosemary Radcliffe (previously Chief Economist at Price Waterhouse Coopers), was published in November 2005. Following a consultation, Lord Rooker [announced](#) in June 2006 that the five levy boards (the British Potato Council, the Meat and Livestock Commission, the Milk Development Council, the Horticultural Development Council and the Home Grown Cereals Authority) will be replaced by one statutory levy board, with sector specific companies, in April 2008. The NERC Act includes enabling provisions to give Ministers powers to implement the review's findings and to maintain ongoing flexibility.

**Improve the co-ordination of delivery by enhancing the role of the Government Office for the Regions as co-ordinations and monitors (Recommendations 21-25)**

**Recommendation 21. The Government Offices for the Regions should be given a stronger remit to promote co-ordination of and monitor rural delivery and to promote rural proofing on behalf of Defra. Regional Rural Priority Boards, chaired by Government Offices for the Regions and including key regional and local bodies responsible for rural regeneration and service delivery, should be set up to provide strategic co-ordination and monitoring.**

See below

**Recommendation 22. Delivery agencies should strengthen joint working through the development of joint regional delivery plans. These would include designated lead delivery partners, agreed joint targets, shared resources and clear accountability for delivery.**

Rural Strategy 2004 – the Government's combined response to 21 & 22

The Government **agrees**, although in line with the principles of devolution will invite each region to determine what structures will best meet their needs rather than impose a uniform solution across all regions. Defra will ask each Government Office (GO) to:

22.1 broker and bring forward proposals for a regional framework for delivering rural policies by April 2005, working with regional and local partners.

22.2 participate in and, where necessary, broker regional inputs to sub-regional delivery pathfinder projects during 2004/05.

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22.1 Done. Each Government Office (GO), working with their regional and local partners, produced a draft 'Regional Rural Delivery Framework' in April 2005 and a final version in April 2006. The frameworks are a mechanism to bring together regional and local partners to agree what their priorities should be and how they can work together to deliver them, in the context of the increased focus on local-level action brought about by the introduction of Local Area Agreements (LAAs). The frameworks provide a robust basis for rural proofing regional and sub-regional strategies and plans.

22.2 Done. GOs were engaged in the rural delivery pathfinders in 04/05, acting as a 'critical friend' in the process; their involvement continues. The pathfinders provide a sub-regional element to the development of the Regional Rural Delivery

	<p>Frameworks. Links between the two processes have been formalised through the governance arrangements for the frameworks, with a requirement for practical exchange of experience with the pathfinders. The frameworks also provide the basis for GOs to assist local partners in developing the rural elements of LAAs for areas that are not also rural delivery pathfinders.</p>
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**Recommendation 23. Defra must consult earlier and more closely with the Government Offices for the Regions to ensure more co-ordinated policy development and strategic planning at the national level and reduce the number of strategies that are handed down to the regions.**

<p>Rural Strategy 2004 – the Government’s response</p> <p>The Government <b>agrees</b>. Defra has significantly increased its capacity to work more closely with Government Offices and other regional and local partners through the creation of a new Local and Regional Government Division. The introduction of regional delivery frameworks for rural policies is also intended to reduce the need for separate strategies.</p>	<p>November 2006 Update</p> <p>Done. The Regional Rural Delivery Frameworks are being used as a means of concentrating what would have previously been separate strategic planning approaches. The Frameworks will not supersede any regional or local strategy, but will identify gaps and overlaps in existing strategies where relevant to rural areas, and support a more integrated approach towards business planning by a range of agencies responsible for rural development. For example, the Frameworks are being used to help develop regional plans for the next Rural Development Programme in England (2007-2013).</p>
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**Recommendation 24. The Government Offices for the Regions should focus on their role as co-ordinators and monitors of programmes affecting rural areas and not be involved in direct delivery. They should disengage from their current role in the administration of EU Structural Funds if and when these are replaced by a national programme of regional regeneration, as the Government has proposed.**

<p>Rural Strategy 2004 – the Government’s response</p> <p>The Government <b>agrees</b> that Government Offices (GOs) should lead on strategic regional co-ordination and monitoring of delivery, but believes they also have a valuable ongoing role to play in helping to build capacity in the voluntary and community sector. Government Offices will:</p> <p>24.1 from 2005, assume a stronger role in co-ordinating and monitoring delivery of rural policies, and channel funds for rural social and community programmes; and</p> <p>24.2 from 2007, pass their existing role in the management of rural structural funds in Objective 1 regions to RDAs and other delivery organisations, if (as expected) rural structural funds are integrated within mainstream rural development programmes.</p>	<p>November 2006 Update</p> <p>24.1 Done. Through their lead on the Regional Rural Delivery Frameworks, GOs have assumed just such a role. GOs were closely involved in developing proposals for Defra’s new <a href="#">Rural and Social Community Programme</a> (see Rec. 9) and have taken on the associated operational work. Following a recent Department of Communities and Local Government/Treasury review of Government Offices, their role (on behalf of all Government departments) as strategic influencers and in supporting local and regional delivery has been reinforced.</p> <p>24.2 On track. GOs will pass their programme management and administration responsibilities to the RDAs under the new EU Rural Development Programme for England, leaving them better able to concentrate on regional co-ordination, performance improvement and monitoring and providing advice on policy implementation.</p>
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**Recommendation 25. Regional Rural Affairs Forums (RRAFs), comprising representatives of rural customers and beneficiaries, should become the forums in which national and regional delivery of rural policies is reviewed and reported on. Their key duties would be:**

- to highlight important issues and priorities for rural development and service delivery;
- to comment on the effectiveness of rural development and service delivery in their region and identify areas for improvement;
- to comment on the impact and effectiveness of existing policy developments and generate new ideas;
- to provide leadership to help drive rural development at regional and local level. The RRAFs would receive secretariat services from the proposed Rural Priorities Board secretariat (see recommendation 21).

Rural Strategy 2004 – the Government's response

The Government **agrees** that there should be a strong mechanism in every region for end customers to have a clear voice into the regional decision-making process. The Government believes that the Regional Rural Affairs Forums could provide such a strengthened and more important function, but does not wish to be prescriptive in determining the exact mechanism or shape of the rural customer Forum. The Government believes that each region should propose arrangements that will work best for it. Defra will:

25.1 ask each region to specify, in its delivery framework for rural policies, how it will ensure the rural customer has a clear voice into the regional prioritisation process (this may involve further strengthening of the Regional Rural Affairs Forums, or through building on some similar institution, if shown to be better); and

25.2 build close links between such customer forums and Ministers, with regional chairs of each forum meeting Ministers on a quarterly basis, including in the region when opportunities arise.

November 2006 Update

25.1 Done. The Rural Affairs Forums in each region were reviewed in 2005 to ensure they were fit for purpose. They contributed effectively to the development of the Regional Rural Delivery Frameworks. See update on Rec. 22.

25.2 Done. Ministers meet roughly quarterly with chairs of the Regional Rural Affairs Forums. For further information see Rec. 9.8

**Make things better for the customer and get greater value for money for the taxpayer through a more integrated approach to regulation and through simpler services (Recommendations 26- 32)**

**Recommendation 26. The Government Offices for the Regions should work with regional and local organisations to develop a more co-ordinated approach to front line delivery. This should include spreading best practice between regions on integrated delivery and facilitation, recognising what is practical and affordable.**

Rural Strategy 2004 – the Government's response

The Government **agrees**. During 2004/5, each Government Office (GO) will be asked to ensure that:

26.1 the delivery framework for rural policies in their region embeds partnership

November 2006 Update

26.1 Done and on-going. Through their role in brokering the development of Regional Rural Delivery Frameworks, GOs

approaches capable of tackling cross-cutting issues and creating joined-up solutions for customers (see Rec. 21 and 22); and

26.2 such arrangements build on best practice in which lead delivery agents are identified to ensure that multiple agencies co-operate and provide a joined-up service to customers.

Defra will:

26.3 work with the regions to ensure that effective mechanisms for updating and sharing best practice information are put in place.

brought together different bodies contributing towards front line delivery. GOs and their partners will now build on best practice, using the Frameworks to help spread this to other areas and between partners within each region. The rural delivery pathfinders also provide a sub-regional element to the development of the Frameworks, and enable practical exchange of experience and good practice with the pathfinders.

26.2 Done and on-going, for example, Natural England, the Forestry Commission and National Parks have agreed a protocol, which aims at streamlining delivery arrangements for environmental funding in National Parks. The [NERC Act](#) includes flexible delivery powers that have removed legal barriers to Defra delivery bodies working together in partnership to deliver services, by allowing them to devolve functions to each other, by mutual consent.

26.3 Done and on-going. There are regular meetings between Government Offices and regional and sub-regional delivery partners to share experience and promote the transfer of best practice between regions.

**Recommendation 27. Defra, as the lead body, should accelerate the development of a ‘whole farm’ approach that will ensure better co-ordination of Government regulation and compliance, subsidy, advice and financial incentives linked to farm businesses. This would require:**

- **the development of an integrated rural database linked to land-based business (to which the Environment Agency would have access), subject to resolution of data privacy constraints;**
- **Risk-based self-assessment backed up by audit, preferably using such independent bodies as FWAG and LEAF;**
- **encouraging more rapid uptake of internet use by farmers and rural businesses in general;**
- **the creation of a farm advisory service in the light of the recent settlement on CAP reform.**

Rural Strategy 2004 – the Government’s response

The Government **agrees** the principle of joining up public services to farm businesses. That is the purpose of the Whole Farm Approach, which aims to redesign Defra’s contacts with farmers – including on subsidies, regulation and advice – around on-farm activities, making the best use of information available to us and minimising bureaucracy and duplication. The Whole Farm Approach is an ambitious programme and the Government **does not accept** that it is possible to accelerate it further. Defra will:

27.1 pilot the whole farm appraisal in 2004, including an on-line internet version;

27.2 press ahead with the introduction of the Whole Farm Approach by Autumn 2005;

27.3 conduct further examination of the data protection issues arising from increased data sharing;

November 2006 Update

27.1 Done.

27.2 Done. The [Whole Farm Approach](#) (WFA) project launched a system preview in September 2005. Further releases delivering greater functionality in a live environment began in March 2006. The data provided via the appraisal and portal is held and maintained as a corporate resource to be shared and made widely available for a range of functions.

27.3 Done. Data sharing is a crucial part of the WFA, as it enables regulators and farmers to look at the same information and cuts down on the need for repeated data collection.

<p>27.4 conduct further analysis of the possibility of using risk-based self assessment, particularly accreditation implications;</p> <p>27.5 seek to use the Whole Farm Approach as a vehicle for co-ordinating inspections and other regulatory activity; and</p> <p>27.6 establish requirements for a Farm Advisory System for launch in January 2007.</p>	<p>Stakeholders and participants remain keen to see information shared, and this has been achieved through an agreed data protection statement.</p> <p>27.4 Done. The WFA will reduce the regulatory burden on farmers, allow compliance information to be submitted easily and provide an evidence base for risk-based assessments to aid targeting of enforcement and advice. It is envisaged that accreditation links with farm assurance schemes will be part of future releases of the WFA and will be a key part of discussions relating to the burden of inspection activity.</p> <p>27.5 On track. One of the key projects within the WFA is on-farm inspections, whose remit is to rationalise on-farm inspection visits where possible, to reduce the impact of visits on farmers, and to improve communication with farmers on the reasons for farm inspections. Work has been done to collect detailed information on inspection activity including information used during an inspection and information collected about the inspection. Areas of overlap and data sharing opportunities are currently being investigated to determine the scope for burden reduction. Work has also been undertaken on the customer communications, from communication standards through to details of what the farmer needs to know.</p> <p>27.6 On track. Defra is building a Farm Advisory System that will form a comprehensive and flexible tool for farmers, linked into a wider system of Government advice products and services. There will be two key elements to FAS: electronic and face-to-face. FAS will be delivered electronically through the WFA, using information provided from the electronic self-assessment as a platform for targeting advice and guidance. Each question within the Appraisal will have detailed guidance attached to it. Farmers can access this through the on-line agricultural library, which contains a large number of documents and other literature pertinent to the UK agriculture/horticulture industry. The second element consists of three advice programmes delivering face-to-face advice in a variety of formats (e.g. farm walks, seminars, farm-based workshops). Other advisory tools forming part of the FAS are helplines, publications and leaflets.</p>
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**Recommendation 28. In view of the expanding environmental protection agenda, the Environment Agency should agree with local authorities a supplementary role on regulation and compliance. Local authorities should agree standards for delivery with the Agency and call in its support where the extent of a problem or the risks connected with it are beyond the authorities' capacity to manage.**

<p>Rural Strategy 2004 – the Government's response</p> <p>The Government <b>agrees</b> the principle that it should draw fully on the capacity of all delivery partners to deliver environmental policies to the customer in the most effective and smart way. Defra will:</p> <p>28.1 seek to apply the most effective and co-ordinated procedures for the use of regulation, funding and advice, so as better to help customers meet their current and future environmental regulatory obligations; and</p>	<p>November 2006 Update</p> <p>28.1 Done and on-going. Defra is working closely with all regulatory partners, including the Environment Agency, towards its overall goal of reducing the administrative burden imposed on business by regulation by at least 25% by 2010. A number of policy initiatives are currently being developed, the first of which was <a href="#">Lifting the burden</a> - Defra's initial regulatory simplification plan <a href="#">published</a> in November 2005. These include details of the progress Defra has made since the department's</p>
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28.2 concurrent with the cross-Governmental Hampton Review into the efficiency of regulatory inspection and enforcement, carry out a survey of the practical capacities and skills of relevant organisations in delivering co-ordinated environmental regulation. This will encompass both current and prospective environmental regulation, and will report in Spring 2005.

commitment to reduce administrative burdens was announced, and the work underway to deliver the target.

28.2 Done. This survey has now been completed. It has concluded that there is no need for Local Authorities to take on with the Environment Agency a supplementary role on environmental regulation and compliance. A set of criteria for identifying regulators and partnership working arrangements for delivery of new regulations has been drafted. The effectiveness of these criteria have been tested in two stakeholder workshops, and have been well received during departmental reviews. Further work is now being done to try to join up this work with similar issues being developed as part of [Defra's Delivery Strategy](#). Other themes highlighted during the survey are due to be key elements in Defra's [Better Regulation Programme](#).

**Recommendation 29. Local authorities should take the lead local role in co-ordinating general regulation and compliance advice on farm premises.**

Rural Strategy 2004 – the Government's response

November 2006 Update

The Government **agrees** the principle that it should draw fully on the capacity of all delivery partners to deliver regulation and advice to the customer in the most effective and smart way. Defra will:

29.1 continue to engage delivery partners, including local authorities, in the Whole Farm Approach pilot (see Rec. 27). The Local Government Association will be invited to join the Whole Farm Approach Programme Board to strengthen further our joined-up approach to all interactions with farm businesses;

29.1 Done. A representative from the Local Government Association was invited to participate in the Whole Farm Approach Programme Board in 2004.

29.2 establish effective but proportionate arrangements for cross compliance from January 2005 that meet all necessary EU requirements, while minimising burdens on farmers receiving CAP single farm payments through effective co-ordination of effort; and

29.2 Done. Questions on cross-compliance, a major part of the CAP reform, are embedded in the Whole Farm Appraisal. These questions also provide an opportunity for participants to provide the evidence of good agricultural and environmental condition that farmers need to supply for the [single payment](#).

29.3 improve compliance advice through a Farm Advisory System from 2007, and arrange effective interim farm advisory services ahead of this.

29.3 On track. The WFA has a comprehensive advice system embedded in the questions that will form part of a Farm Advisory System. Three contracts have already been let out by the Rural Development Service and cover conservation (provided by [ADAS](#)), cross-compliance (provided by [Momenta](#)) and Environmentally Sensitive Farming (provided by ADAS). These contracts are additional to the advice supplied by the WFA, which is provided by AdLib, run by the University of Hertfordshire. An advice system will be linked into a wider system of Government advice products and services. The system will be accessible through a choice of interfaces. See also Rec. 27.

**Recommendation 30. Defra should rationalise its inspection functions, integrating them wherever possible with existing regulatory authorities to achieve administrative savings and avoid duplication of skills.**

<p>Rural Strategy 2004 – the Government's response</p> <p>The Government agrees. In order to improve the customer experience of its inspectorates, and improve operational efficiency for the benefit of both customers and taxpayers, Defra will:</p> <p>30.1 take forward the Defra delivery strategy vigorously, moving operational and delivery functions out of core Defra by March 2008. Options for individual inspectorates will be developed during 2004/05; and</p> <p>30.2 specifically consider the future of the Dairy Hygiene Inspectorate in the context of the consultation process for the creation of the State Veterinary Service Executive Agency.</p>	<p>November 2006 Update</p> <p>30.1 On track. The original commitment of structural changes will be completed by March 2008. The additional commitments resulting from the <a href="#">Hampton review</a> will be implemented by April 2009. Progress on developing options for individual inspectorates has also been affected by the need to reflect on and incorporate Philip Hampton's recommendations (March 2005) to Treasury on simplifying the regulatory landscape for businesses. A programme has been set up within Defra to implement the Hampton Review, and this will result in 21 of Defra's delivery bodies being merged into one of six thematic regulators by April 2009.</p> <p>30.2 Done. The Dairy Hygiene Inspectorate joined the State Veterinary Service on 1 October 2006.</p>
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**Recommendation 31. Defra should review all rural funding streams and schemes, to achieve a more rational, transparent and comprehensible approach to the administration of financial incentives and to ensure that all new initiatives are consistent with Defra's delivery strategy, add real value and do not duplicate.**

See below.

**Recommendation 32. Defra should review and simplify the current procedural rules connected with grants to rural businesses and communities in order to provide greater discretion in the execution and targeting of grants in a user-friendly way, consistent with state aid rules.**

<p>Rural Strategy 2004 – the Government's response to Rec. 31 &amp; 32.</p> <p>The Government <b>agrees</b>. By April 2005, Defra will:</p> <p>32.1 begin the process of radically simplifying the current 100 or so schemes and replacing them with a simplified funding framework based around three major funding programmes;</p> <p>32.2 through this process, sweep away unnecessary rules and regulations in the current schemes;</p> <p>32.3 introduce a design guide to ensure that the system remains simplified in future and</p>	<p>November 2006 Update</p> <p>32.1 Done, and on-going. By April 2005, <a href="#">Environmental Stewardship</a> had been launched, replacing three previous agri-environment schemes, and several Countryside Agency socio-economic funding schemes were closed and the funding transferred to RDAs. For detail on what has happened since see commitment 32.6 below.</p> <p>32.2 Done and on-going. The reduction in the number of schemes is, by its nature, leading to fewer rules and regulations. The Entry Level element of Environmental Stewardship has been launched as a broadly available scheme which is straightforward in design, allowing applicants to apply without the need for detailed advice, and which is heavily driven by customer choice. See also Rec. 12 for an update on progress on negotiating the simplification of EU funding.</p> <p>32.3 Done. A design guide has been written, drawing on customer and practitioner views. The principles in the guide</p>
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that separate schemes with separate rules are not re-created;

32.4 continue work with DTI, the RDAs and others to ensure that the national network of advice and support provided through Business Links and other business support providers meets the needs of rural businesses, including by providing additional funding in 2004/05 (see Rec. 13); and

32.5 provide information about the changes to Defra's business support and funding through a single Defra helpline and user-friendly, web-based portal, which will be developed rapidly thereafter to provide a comprehensive information service.

By April 2007, Defra will:

32.6 complete the process of simplification to achieve three major funding programmes;

32.7 introduce simplified forms and administrative systems for the very small number of funding programmes thereafter;

are informing the development of subsequent funding arrangements.

32.4 Done and on-going. See the update on Rec. 13.

32.5 Done, and on-going. Information on sources of funding has been brought together at [www.defra.gov.uk/funding](http://www.defra.gov.uk/funding). The design of the web-pages has been tested with customers and they confirmed that the new presentation is a useful improvement. They are currently being updated to reflect the fact that Natural England now exists and that the RDAs have taken responsibility for the socio-economic elements of the new EU Rural Development Programme, and that those bodies should provide the main sources of advice. Links will also be made with the Whole Farm Approach (see Rec. 27).

32.6 Partly delayed. The intent set out in the Rural Strategy 2004 was to have three funding programmes each based around one of Defra objectives (sustainable farming and food, sustainable rural communities and natural resource protection / environmental land management) and each with an element of core funding to build the capacity of the organisations involved, as well as direct grants to customers. The aim of this simplification was to make the funding more effective in delivering Defra's policy objectives, to improve the customer experience, and to enable the funding to be delivered more efficiently.

Customer funding for both sustainable farming and food and rural communities has now been mainstreamed through the RDAs (having previously been disbursed through a number of schemes in the RDAs, the RDS and the Countryside Agency). The vast majority of customer funding for natural resource protection / environmental land management is now run through Natural England's Environmental Stewardship scheme, which was launched in March 2005 and which subsumed a number of previous schemes. There are a few schemes that it has not been practical to incorporate within Environmental Stewardship without creating significant risks to delivery, such as the successor to Hill Farm Allowance and the Forestry Commission's English Woodland Grant scheme. These schemes are, however, closely aligned with Environmental Stewardship.

Core funding for sustainable farming and food is primarily through the Agriculture Development Scheme. Defra's core funding for rural communities has been brought together in the Rural Social and Community Programme, which runs through the Government Offices, is mostly delivered as part of the Local Area Agreements, and was launched in April 2006. Core environmental funding is now largely disbursed by Natural England, which is looking at the scope for further consolidation and simplification.

32.7 Partly delayed, following on from the above.

<p>32.8 establish a qualification standard for all customer-facing staff in the Defra family, supported by training and upgraded reference material.</p>	<p>32.8 On track. Defra is committed to improved and joined-up handling of customers across the Defra family, and is considering how best to support front-line staff to achieve those objectives, in line with the high level Defra family Customer strategy agreed in June 2006.</p>
<p><b>Recommendation 33. Defra should publish progress reports on the implementation of my (Lord Haskins') recommendations in the Spring or Summer of 2004, 2005, 2006 and 2007.</b></p>	
<p>Rural Strategy 2004 – the Government's response</p> <p>The Government <b>agrees</b>. Defra will:</p> <p>33.1 publish regular reports on progress towards modernising rural delivery on its <a href="#">Website</a>.</p> <p>33.2 Conduct a post programme evaluation in 2007.</p>	<p>November 2006 Update</p> <p>33.1 Done. The previous major update was published in July 2006. In addition, the modernising rural delivery section of the <a href="#">Defra website</a> has been updated regularly.</p> <p>33.2 On track. A lessons learned exercise is underway and a full post programme evaluation is planned for 2010.</p>